

# Antigua Condominium Association

## Minutes of the Meeting of the Board of Directors

August 16, 2023

The meeting of the Board of Directors of the Antigua Condominium Association was called order by Mike Falkner, the president, on August 16, 2023 at 7:00 p.m. The meeting was held via Zoom. All of the directors were present. The directors are Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Sheri Miller, Ellen Schweiger and Rosey Whittaker. A quorum was determined to be present.

The following owners were present via Zoom: Cindy Frederick (901); Robert and Kathryn Fitzgerald (104); Steve Karlow (1204); Patty Brann (301); Wanda Ditch (706); Dennis Marsalek (408); Peggy Sheer (406); Randy Hess (608); Bonnie Medford (1305); and Ingrid Miller (1302).

### **Owner Comments and Concerns**

Mike Falkner opened the floor to owners for their comments and concerns. Rosey Whittaker inquired about the emergency response to an injured child report in one of the units. No new information was available.

### **Approval of Minutes**

Ingrid Miller (1302) asked about the difference between the reference in the minutes to a motion that was “approved on a voice vote” and one that was “unanimously passed on a voice vote.” Robert replied that on a voice vote a roll call is not taken. If there is no negative vote it is recorded as a unanimous vote. If there is a negative vote it is simply recorded as passed or failed. Rosey said that she preferred roll call votes so that members would know how she voted. Roll call votes are available on request at the time the vote is taken.

Kat raised issues with the minutes of the meeting of June 21, 2023 which were approved as amended at the July 19, 2023 meeting. She noted that the changes made to the June minutes at the July meeting were not specifically stated in the July minutes. After discussion, Robert moved that the minutes of the meeting of July 19, 2023 be approved as submitted in the board package. Sheri Miller and Mike Keenan seconded the motion. The motion passed on the vote of 7 in favor; 1 opposed; and 1 abstention. Those voting in favor were Randy, Mary, Mike F., Mike K., Sheri, Ellen and Robert. Kat voted against the motion. Rosey abstained.

## Reports

### **President's Report**

Mike presented his report. The pool will remain open into September. Two owners volunteered to close it in the evening.

Mike reported that he had exchanged email communications with Smartaira. Smartaira originally proposed cable and internet service to the building for all owners. Mike inquired about service to only those owners who wanted to sign up. Smartaira replied that it could do that but it wanted exclusive rights to the building because of the major investment that it would make in rewiring the building. This would likely mean that all current Comcast subscribers would have to change to Smartaira. Smartaira also proposed a seven-year contract. Patty Brann (301) asked if this was service for both cable and internet. Mike stated that both would be available. Kat noted that the service being offered was the same as Gigamonster had offered in the past. One reason that proposal was rejected was that Gigamonster did not have a sufficient track record to support a seven-year contract. It has since closed and Smartaira is making a similar proposal. Mike asked if there were any volunteers to look into the matter further. When there were none, he stated that he would investigate it further.

Mike reported that the roof coating contract with Raintree had been signed, a certificate of insurance received and the initial deposit made. The work will be done after Labor Day but before the end of November.

There were three matters to report with respect to AT&T. First, AT&T was on the roof on August 16, 2023 doing an inspection of their equipment and taking readings. Mike noted as an aside that Charlie saw a bubble on the roof, probably where ETC's infrared scan had found moisture, and called Raintree to advise them of the situation. Second, Mike had telephone conversations with AT&T about maintenance of its existing antenna. They had wanted to come during the week, close down the pool area in order to position a crane and do maintenance on their antennas. Mike spoke with them and reminded them that the contract provided that there would be no maintenance during the season. The maintenance was rescheduled for the last week in October and will use part of the parking lot to position the crane. The third item deals with the requested modification of the contract. He has not received a revised contract.

The fall owners meeting will be held at the Elks Lodge, 13708 Sinepuxent Ave., Ocean City in person and also by Zoom or conference call.

Mike had nothing further to report on the progress Lacey was making with respect to the office manual.

## **Treasurer's Report**

Mary reported that a large insurance bill of about \$100,000 will be coming due shortly and that the roof coating contract deposit was made and the check had cleared. In light of the roof coating contract, it will be necessary to withdraw funds from the reserve account which are presently invested in T-bills. A \$30,000 Treasury bill is renewing on August 22 and will renew again about September 22. She recommended that the automatic renewal for this T-bill be canceled so that these funds can be used to pay for the roof coating. Rosey moved that the T-bill renewing on August 22, 2023 and again about September 22, 2023 be taken off automatic renew and the funds be available for paying the roof coating contract. Kat seconded the motion and it was unanimously passed on a voice vote.

Mary presented the draft audit for the calendar year ending December 31, 2022. Ingrid Miller (1302) and Bonnie Medford (1305) asked questions about the late charges and condominium fees that were past due as referenced in the audit and how much was being written off. Robert noted that the audit only sets out the amount of past due accounts as of December 31, 2022 and the matter of late charges and collection of past due amounts was on the agenda to be discussed later in the meeting. Randy moved that the audit be approved as presented. Robert second at the motion. The motion passed with eight in favor; none opposed and one abstention. The following directors voted in favor of the motion: Randy, Mary, Mike F., Mike K., Sheri, Ellen, Rosey, and Robert. Kat abstained.

Mary asked if anyone was interested in working on the draft budget for 2024 to be presented to the board. Bonnie Medford (1305) said she would assist. The budget needs to be approved by the board in sufficient time so that it can be presented at the owners meeting on October 14. Mike stated that there would be a public meeting of the board addressing the budget.

## **Committee on Committees**

Randy presented the committee's report. The committee consists of Sheri, Randy, Robert and Patty Brann (301). The committee is looking into forming committees so that the management of the condominium is improved and owners have an opportunity to participate. The committee will recommend five standing committees: Safety, Beautification, Planning, Financing and Budget, and Maintenance. Ad hoc committees can be appointed as needed. The chair of each committee will be a member of the Board of Directors who will report back to the board monthly. More than one director can be on a committee and he encouraged both owners and board members to participate. The next step for the committee will be to develop descriptions of the roles of the committee. They will be presented to the board for approval. It is hoped that they will be approved in time for the owners meeting so that the committee structure can be submitted to the owners present who can sign up for the committees. Rosey suggested that all committees prepare minutes for submission to the board so that the activities of the committees can be followed by the board members.

## **Property Maintenance**

Randy presented the list of maintenance items that need to be done. It is circulated to board members weekly. He also presented the 1 Stop list which contains items that 1 Stop should be working on. He reported that there was little progress by 1 Stop on its list. Kat inquired as to how items were put on the list and whether board approval was necessary for some or all of the items. Randy replied that anyone could contact him and make him aware of work that needed to be done and he would add it to the list and track it. There was a discussion of what needed board approval when added to the 1 Stop list.

## **Unit leaks**

Robert presented the Ev-Air-Tight revised proposal of August 15, 2023 addressing leaks into four units, 908, 603, 604 and 504. The total cost is \$18,260. The cost of glazing the window in unit 504, which is a unit owners expense, is \$600. This expense should be paid by the unit owner if she elects to have the service provided. Bonnie Medford (1305) asked if the leaks in the four units were active leaks. Mike F. stated that they appear to be active. A lot depends on the storms that come through as to when they leak. He noted that the interior ceiling finish is coming off in two of the units. Bonnie suggested that if these were not urgent that they not be done until the building is recoated. Kat noted that unit 103 had a water infiltration issue and after it had been initially repaired it continued to leak and required additional repairs.

Robert stated that he had recently personally viewed two of the units and photographs of the damage on the other two units. He confirmed that the ceiling finish is detaching from the ceiling, that a curtain rod anchor in one unit failed because of the leak, and that one unit's leak is of recent origin. This leak first occurred, he was told, this summer. The leaks have been reported for various periods of time and as much as two years in some cases. He noted that the discussion of bubbles on the exterior coating throughout the condominium was a different issue from the window leaks. The bubbles are extensive and better discussed in the Coating Committee's report which is on the agenda for later in this meeting.

Robert moved that the Ev-Air-Tight proposal of August 15, 2023 for repair work in four units at a cost of \$18,260 be approved. Randy second the motion. The motion passed with all directors voting in favor. The vote was 9 to 0.

## **Coating Committee**

Robert presented of proposal from Engineering and Technical Consultants, Inc. (ETC) of August 10, 2023 for professional consultation services for the exterior coating of the Antigua building. The scope of services includes the Design phase which includes preparing the specifications for the work to be done; the Bidding phase which includes preparing the bid package, soliciting bids, evaluating the bids and making appropriate recommendations; and the Construction Administration phase which involves inspections and verifying that the contractor is performing according to the contract. The cost of the Design phase is estimated to be \$3,900

and the Bidding phase is \$2,600. No estimate was given for the Construction Administration phase because that depends on a number of factors that are not known today, such as the contractor, the type of work to be done, the complexity of the work and the results of the initial inspections of work performed.

Sheri asked if there would be multiple bids for contractors to do the work. Ingrid Miller (1302) noted that ETC's proposal was to obtain at least three qualified bidders. A question was raised as to whether there were enough contractors engaged in this type of work for multiple bids. It was noted that the last coating proposal had multiple bidders. Rosey felt that it was important to get information to the owners about the nature of the work, the potential costs, and especially, any special assessment that might be necessary. Information should be shared as soon as possible.

Mike F. noted the difference between the operating account and the reserve account. The coating project will be paid from the reserve account and would not be included in the operating budget. After the roof coating contract is completed and paid, there will be about \$500,000 in the reserve account. Not all of this should be spent on the coating project because it is also money being set aside for other projects. Robert noted that for every \$100 in condominium fees paid monthly and dedicated to the reserve account, the reserve account will increase about \$125,000 a year.

Robert reported that there are a number of questions that we do not have answers for at this time. They include the type of coating to be used. We have used an elastomeric coating since the building was constructed in the 1970s. A newer technology based on silicone is now available and appears to be preferred. The initial question is which to use. The question of bubbles also needs to be addressed early. If we continue with the same type of coating we currently have, we will need to repair the areas where all of the bubbles appear. A new coating simply applied on the present coating may adhere to the old coating but the old coating is not adhering to the concrete and will fail. On the other hand, if we use a silicone coating all of the present coating will be removed before applying the new coating. In this case, repairing all of the bubbles would be an expense that could be avoided. A question for Kirk Parsons of ETC is the urgency for repairing bubbles and, in particular, if there are specific bubbles that need to be addressed. This will determine which bubbles, if any, should be addressed and will assist in determining when the new coating should be applied. The 2023 budget contained \$100,000 to \$125,000 to repair the coating and the bubbles. It has not been spent. The new coating may be applied as early as the fall of 2024 or later such as the fall of 2025. Kirk Parsons will also be able to give information on whether the project can be performed in several phases over several years so as to spread the impact of any special assessment over a longer period of time. He would be able to assess the additional costs for mobilization and likely increases in the costs of labor and material.

Ingrid Miller (1302) stated that she felt the board should go forward with the ETC proposal. Robert moved that the ETC proposal for professional engineering and consulting services for the exterior coating project dated August 10, 2023 be approved. Sheri and Kat

seconded the motion. The motion passed on a 9 to 0 vote with all directors voting in the affirmative.

### **Window Operating Policy Revision**

Robert presented the revised Operating Policy for replacement windows. The recent request for a double-hung replacement windows on the walkway (rotunda) side of the condominium did not meet town building code requirements, specifically, the fire safety provisions. Double-hung windows will not meet those requirements. Mike F. had requested at the last board meeting that Robert revise the Operating Policy and eliminate references to double-hung windows.

Several suggestions were made to clarify the revised Operating Policy draft. It only applies to the walkway windows, not the exterior building windows. It was suggested that the title be modified and any other reference that might refer to the exterior windows be deleted. All windows are additional or alternative fire escapes and must meet town building codes relating to fire safety standards. The current contact individual is Shawn M. Nave, Building Plans Examiner, Planning & Community Development, Town of Ocean City, Maryland. A reference to the department will be added to the Operating Policy.

Kat raised the issue of the uniformity of the walkway windows and in particular of the reference in the policy to both vinyl and aluminum windows. This is the second revision of the Operating Policy. The original policy was revised on February 18, 2012 and included vinyl from at least that time and likely earlier. Vinyl replacement windows have been installed. One issue discussed was matching colors of the vinyl windows to the painted color on the aluminum windows. Vinyl windows are not usually painted. However, it was suggested that the colors from various manufacturers of aluminum windows may also vary over time. The question was raised whether the town building codes allow vinyl replacement windows. Rosey agreed to find out if the town building code allows vinyl windows.

Ingrid Miller (1302) noted that the policy requires all windows be operational and that some have been painted shut. She questioned whether owners should be informed of this requirement. Mike F. agreed that they should be.

It was clarified that this Operating Policy only applies to individual unit owners who are seeking to replace their windows. There is no requirement to replace windows. The matter was carried over to the next board meeting.

Mike F. stated he had advised the owners who requested approval of the double-hung windows that the windows did not meet town building code requirements and could not be installed.

## **Condominium Fee Payment Policy**

Robert reported on the proposed Condominium Fee Payment Policy which, if approved, would become an Operating Policy. Mary and he worked on the policy together. It provides that all condominium fees are due on the first of the month and a late charge of 5% of the unpaid amount would be assessed if the condominium fee is not paid within 15 days after it is due. A late charge is applicable unless the 15<sup>th</sup> day falls on a Saturday, Sunday or holiday in which case the last day a condominium fee can be paid without a late charge being assessed will be on the following business day. The late charge is 5% of the amount not paid. If the entire assessment is late, there is a 5% late charge on the entire assessment. If a partial payment is made the late charge is assessed only on the amount that is not paid. There will be no late charges on late charges. Notification will be given to all owners who are late. Statements should be sent to all owners at least quarterly and monthly to every owner who has a past due balance. The policy would become effective for installments due on after January 1, 2023 and any late charges assessed prior to that time would be removed.

Robert noted that the purpose of late charges is to encourage timely payments. There were unfortunate difficulties over the last several years with respect to the association's practices. No statements were sent. No late charges were assessed. While the owners certainly had an obligation to make timely payments, the staff and the board also fell short by not seeing that the process was followed in a timely fashion. No purpose is served by imposing retroactive late charges at this time for payments that were late in a prior year. Rosey recalled that during the covid pandemic it was announced that no late charged would be assessed. She was not aware of any change in that policy.

Robert reported on the impact of the new policy. He estimated that less than \$200 in late charges was charged on late charges; less than \$100 was charged on the 16<sup>th</sup> of the month when the 15<sup>th</sup> day was a Saturday, Sunday or holiday and the payment was made the following business day; less than \$300 for individuals who paid the prior year's assessment rather than the new assessment; and a little over \$1,000 for late charges assessed for late payments due before January 1, 2023.

Robert also noted that there were 14 accounts which showed a balance due on December 31, 2022 but during the first eight months of 2023 the owners appeared to regularly pay on time. In light of the bookkeeping issues and subsequent conduct there may be questions as to whether these balance forwards are accurate. He stated that he is not suggesting these amounts to be written off, but that they need further investigation and a full review of the accounts. To the extent that a payment was missed it should be collected.

Bonnie Medford (1305) stated that she had gone through a similar situation a number of years ago and had cleared up the accounts within a short period of time. Robert stated that he expected the same result. The steps he proposed were to approve the policy; remove the late charges that are not in accordance with the policy; reprint the statements; review the changes; mail out statements to all owners where there is no question about the account; and for Mary,

Robert and the bookkeeper to review the remaining handful of accounts with past due balances and the 14 accounts with past due amounts on December 31, 2022. After the changes and the 14 accounts have been reviewed, statements will be sent out. Appropriate follow-ups would be taken for accounts that continued to have past due balances. Rosey said that she would assist in this.

Robert moved that the policy be approved. Mike K. seconded the motion. The motion was approved on a 9-0 vote.

### **Door Repairs, Painting and Color**

Mike K. reported on the proposed colors to paint the doors. Large samples were posted on the mirror in the lobby. An email will be sent to owners inviting their comments. For those who are not at the condominium, the Sherwin-Williams paint numbers will be included in the email and the owners are encouraged to either go to a Sherwin-Williams paint store to get paint chips or go online and use their computer program.

There was a discussion of what the owners had approved at a prior owners meeting. Kat raised the issue of whether the doors should be painted prior to the coating project being completed because the doors might have to be repainted after the work was done because of splatter and other construction issues. It was noted that when the walkways were last coated that there were no significant issues with the coating spraying on or adhering to doors. Mike K. noted that the owners need a decision on the long-term color. Some owners need to paint now because their doors are beginning to rust; some want to or need to replace their doors; some want a fresher looking door. The board needs to make a decision. It was the sense of the board that the email process be instituted; that the email be sent to all owners requesting their input; and that the matter be brought back in the September board meeting for selection of color.

### **Insurance**

Mike Falkner reported on Deely Insurance Group's proposal for the renewal of the condominium's insurance policies. The total premium is \$100,147.35. There are several options that may cause that cost to be adjusted. He reported that the Maryland Condominium Act requires crime coverage with a limit of at least three months condominium fees plus reserves. The condominium's coverage should be increased to \$900,000 to meet this requirement. The additional premium is \$258. Medical payments can be removed, Mike suggested, with a savings of \$1,545. The medical payments coverage provides payment of up to \$1,000 per incident for immediate medical expenses without regard to fault if someone is injured on the property. Mike said there has never been an incident where the insurance company was asked to make a payment. The premium, \$1,545 per incident, exceeds the limit of \$1,000 for a single incident. He recommended that it be deleted. Finally, the deductible for wind and water damage is 2% of the value of the building. It can be bought down to 1% of the value of the building by paying an additional premium of \$10,596.26. The 2% deductible for wind and water damage will be about \$480,000. A 1% deductible would be about \$240,000. He does not think that it is

necessary to buy down the deductible. Historically, the condominium would not have benefited from purchasing the buydown.

Mike discussed the current insurance market. There is a decreasing number of insurance companies writing policies for coastal properties and the rates are rising.

Mike moved that the Deely Insurance Group proposal be accepted with the crime coverage increased to \$900,000, the wind and water deductible buydown be declined and the medical payments coverage being removed. Robert seconded the motion.

Kat asked if the policies had been marketed. Mike responded that Deely Insurance Group is an insurance broker and had marketed the coverage to various insurance companies. In light of their marketing and his knowledge of the insurance market, he did not think that further marketing was necessary.

The motion passed on an 8 to 1 vote with the following directors voting in favor: Randy, Mary, Mike F., Mike K., Sheri, Ellen, Rosey and Robert. Kat voted against it.

### **Executive Session**

Robert moved that the Board meeting be closed to owners so that the board could discuss matters pertaining to contractual relations with 1 Stop Management particularly with respect to duties, performance and employees as is permitted by Maryland Condominium Act §11-109.1(a)(1). Sheri seconded the motion. Kat asked why this procedure was being followed. Robert stated that it was required by Maryland Condominium Act, §11–109.1. He also stated a roll call vote was necessary and that it be recorded in the minutes.

The motion was unanimously approved. The following directors voted in favor of the motion: Mary, Randy, Mike F., Kat, Mike K., Robert, Sheri, Ellen and Rosey. All of the owners present left the meeting. All nine directors were present for the meeting held in Executive Session.

### **Adjournment**

At the conclusion of the closed session, Randy moved and Sheri seconded that the meeting be adjourned. The motion passed on a unanimous voice vote and the meeting was adjourned at 10:40 p.m. The next board meeting will be on September 20, 2023 at 7:00 p.m. via Zoom.

Respectfully submitted,

*/s/ Robert Mayer*  
Robert Mayer  
Secretary